Annual Report 1973

CLEVELAND PUBLIC LIBRARY
BUSINESS INF. BUR.
CORPORATION FILE

centran

CLEVELAND PUBLIC LIBRARY
BUSINESS INF. BUR.
CORPORATION FILE

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Transfer Agent:

Central National Bank of Cleveland
Co-Transfer Agent: Chase Manhattan Bank, N. A.
New York, N. Y.

Common Shares:

Centran Bancshares Corporation stock is traded Over-the-Counter and is included in the NASDAQ network.

Shareholders:

As of December 31, 1973 there were 11,783 shareholders.

Annual Meeting:

The Annual Meeting of Shareholders of Centran Bancshares Corporation will be held Tuesday, April 2, beginning at 9:30 a.m. in the East Ballroom of the Hollenden House Hotel, 610 Superior Ave., N. E., in downtown Cleveland.

Corporate Headquarters:

One Central National Bank Building
Cleveland, Ohio 44114
Telephone: (216) 687-1200
TELEX: 885-664

1973 Highlights

For the Year	**1973**	**1972**
Income Before Security Transactions	$ 12,482,000	$ 11,714,000
Securities Gains Net of Taxes	122,000	423,000
Net Income	12,604,000	12,137,000
Return on Shareholders' Equity:		
Income Before Security Transactions	11.43%	10.99%
Net Income	11.55%	11.38%
Average Common Shares Outstanding	3,815,640	3,930,547
Per Share		
Income Before Security Transactions	$ 3.27	$ 2.98
Securities Gains Net of Taxes	.03	.11
Net Income	3.30	3.09
Cash Dividends Declared	1.70	1.70
Shareholders' Equity	29.27	27.72
At Year-End		
Total Assets	$2,014,852,000	$1,919,207,000
Total Deposits	1,616,112,000	1,582,494,000
Total Loans	1,213,994,000	1,117,983,000
Common Shares Outstanding Less Treasury Shares	3,836,639	3,791,287

Letter to Shareholders

As stated in last year's annual report to shareholders, Centran's primary corporate goal is to be an earnings growth oriented institution. The report further stated that in order to achieve this goal, it is necessary to become a diversified financial holding company, within the limits permitted by the Bank Holding Company Act. During 1973, continued progress was made toward achievement of these corporate objectives.

Geographic diversification continued during 1973, with the Corporation broadening its market base into high-growth population centers.

Total assets for the first time surpassed the $2 billion mark. At year-end, 100 offices were providing services to customers in 11 states.

Two finance companies were purchased and a third one formed. These three, coupled with two additional companies to be acquired, pending Federal Reserve approval and subsequent consummation, represent a significant entry for Centran into the consumer finance industry.

Two representative offices were opened in 1973 to augment existing international banking facilities in Paris, New York City and Nassau, Bahamas. In addition, the international banking subsidiary in New York moved into larger facilities to house an expanded staff of international banking specialists.

Centran's banking business realized substantial improvements in performance for the year. Commercial loans of all types, for example, averaged an all-time high, increasing 29 percent over 1972.

As reflected in the highlights, (opposite page), income before security transactions was $12,482,000, compared with $11,714,000 earned in 1972. Per share earnings of $3.27 were 29 cents or 9.7 percent higher than in 1972. Net income after security transactions was $12,604,000 or $3.30 per share, an all-time high. This compares to $12,137,000 or $3.09 per share in 1972.

During the year, dividends of $1.70 per share were paid to shareholders. In total, this amounted to $6.5 million, which is equivalent to 51.6 percent of 1973 net income.

Through corporate action and the individual participation of its officers and staff, Centran continues to demonstrate concern for civic and social problems and its role as a responsible corporate citizen.

Late in 1973, for example, Central National was commended by real estate firms and consumers alike for doubling its planned commitment of new mortgage loan money in the Cleveland market, at a time when the mortgage money market was extremely tight.

New operating programs were implemented to enable the Corporation to be more responsive to change and the management of it. Change continues to be characteristic of the financial industry, and in large measure, of our economy. Intelligent planning is the only effective answer to this challenge. Planning represents a way to make change work for us, not against us.

Centran management realizes that to achieve short-term and long-range objectives, we must be successful managers as well as successful acquirers. To manage successfully, we must have a management team with both specialized skills and general management and leadership abilities.

In the year ahead, the Corporation will continue to pursue those programs aimed at building and staffing an organization structure to assure success in achieving earnings growth objectives, and providing high-quality financial services.

Toward these objectives, and in recognition of the growing diversity in our banking and non-banking activities, elimination of the restrictive word, Bancshares, from the Corporate name has been recommended for shareholder approval.

The management of Centran is grateful to the employees, customers, and shareholders for support in 1973. Every effort will be made to justify continued confidence throughout 1974 and beyond.

Chairman

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MONTHLY
CALCULATOR
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EL BANCO DE MEXICO S.A.
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Growth and Diversification—Corporate Achievements

Centran's corporate achievements and progress toward becoming a diversified financial holding company are reviewed on the following pages.

When the Corporation was formed, its principal operations were based in Northeast Ohio, a highly industrialized region characterized by cyclical economic patterns and a relatively slow rate of growth. Through acquistion and expansion, Centran has made progress toward extending its operating base into markets with projected growth rates well in excess of the national average.

This was achieved, in 1973, through the acquisition of two consumer finance companies and the formation of a third company. In addition, applications were made to the Board of Governors of the Federal Reserve System to acquire two more finance companies.

Assuming consummation of the pending acquisitions, Centran's consumer finance group will be providing customer services through 44 offices located in 12 states.

The growing international influence of U.S. corporations, including Ohio-based firms served by Central National and other affiliate banks, has created new markets and demands for financial services in all parts of the world.

In response to this trend, Central National opened representative offices in London and Mexico City during the year. Existing international facilities include the representative office in Paris, a branch in Nassau, Bahamas, and an international bank in New York City, which recently expanded its staff and moved into enlarged new facilities in the heart of that city's financial district.

This growth represents progress toward Centran's long-range plans for international expansion.

Top management of the Bank and the Corporation continue their active roles with government and private agencies to help finance and support minority-owned business. This activity goes beyond the financing of new and existing business, reaching into programs of on-going counsel and direction to managers of emerging new companies.

Centran management has traditionally viewed formal planning as essential to meeting the challenge posed by the rapid structural and operational change taking place within banks and the financial industry.

The planning process continues to be refined in establishing goals and the strategies necessary to achieve them. Interactive computer models have been developed to analyze and project asset and liability mix with the commensurate earnings flow and capital requirements.

Centran will continue to study opportunities for profitable domestic and international diversification.

Loans arranged in 1973 helped companies expand productive capacity. Central National, for example, participated in the cooperative funding of an oil company's role in the Alaska pipeline. Other funds helped build a steel mill in Southern France, equip a San Salvadore lift truck plant and purchase U.S. made earth moving equipment for copper mines in New Guinea.

Centran's International expansion in 1973 recognizes the growing worldwide influence of U.S. Corporations and increases in the demand for financial services.

PRICE
SALE
Starrett

Growth and Diversification—Corporate Banking

Corporate banking activities of Central National Bank and Centran's four other Ohio banking affiliates played a major role in the Corporation's earnings improvement in 1973.

Commercial loans of all types averaged 29 percent higher than year-ago levels, setting a record of $685 million.

In 1973, Central National, through its international subsidiary and affiliates, continued to strengthen its role as a leading Ohio institution for international banking—in total volume of financing and in organizational depth and the ability to serve international accounts. The department's domestic operations support staff, alone, was expanded by 30 percent in 1973.

Responding to this growth and the evolving needs of domestic and foreign-based customers and prospects, Central National continued to expand its overseas facilities, as noted in the preceding section. The Bank is in a strong position to benefit from anticipated future expansion of international trade and direct overseas loans.

As a result of the changing geographic and industrial profiles of Central National customers and prospects, the Bank has reorganized corporate banking into three, consolidated divisions. The new, National Division is responsible for major commercial and industrial companies throughout the Continental United States. The Bank's Special Industries Division now serves banking and non-banking companies within the financial sector, and other selected industries. And, the new, Metropolitan Division will expand its geographical coverage to serve medium-sized firms located in Greater Cleveland and Northeast Ohio. The Bank's branch system will continue to provide convenient customer service to businesses located within respective branch trading areas.

The reorganization will create a more efficient structure for providing customer service and is expected to accelerate the development of new corporate banking relationships.

The Bank's Trust Department increased fee income in 1973, in addition to making progress toward a fully automated trust system. Additional programs scheduled for implementation in 1974 should reduce expenses while improving the Trust Department's ability to provide customer service.

The American Bank of Commerce, with 15 offices throughout Summit County, continued its growth pattern in 1973. Staff reorganization and additions provided the structure for doubling commercial loan business and broadening international services. In addition, the Bank maintained its strong position in traditional consumer markets during the year and continued its development as an increasingly important factor in the Akron commercial banking market.

The Mid-Ohio group of banks, operating 13 offices in a three-county area, continued to increase business volume, posting gains in total average loans of 11 percent and average deposits of nearly 8 percent.

Although there appears to be more than the usual degree of uncertainty concerning general economic and monetary conditions in the coming year, it is expected that loan demand will be relatively strong and that the corporate banking business will continue to make a substantial contribution to Centran's 1974 performance.

Banking affiliates are becoming increasingly active in the agribusiness market, identified as a major growth business of the Seventies. Companies involved in Great Lakes shipping, an important factor in the northern Ohio economy, also contributed to increased loan volume in 1973.

With many firms operating at capacity levels throughout most of 1973, credit demands increased substantially. As a result, commercial loans were at an all-time high.

CENTRAL NATIONAL BANK
CLEVELAND, OHIO
HALVES
DIMES
FEDERAL RESERVE BANK OF CLEVELAND
2802
Courtesy of CENTRAL NATIONAL BANK
Central National Bank of Cleveland
master charge
THE INTERBANK CARD
OFFICIAL GOLF HANDICAP CARD
STATEMENT

Growth and Diversification—Consumer Banking

Despite increased competition from both banking and nonbanking institutions, Centran continued to expand consumer-related business through 79 offices within the banking group.

Consumer demand and interest bearing deposits showed satisfactory levels of growth, with both increasing approximately 5 percent on the average over 1972.

A more comprehensive program for savings also evolved, with the addition of a statement savings plan to existing programs for certificates of deposit and passbook savings accounts. In addition to providing a competitive return on deposits, statement savings offers the convenience of a mailed quarterly statement for detailing all savings transactions, much the same as a checking account statement.

Average consumer credit outstandings, in 1973, excluding the finance companies, reached a record $161 million, posting an 8 percent increase within Centran's banking group.

Direct installment loans, generated by the banks, increased in dollar volume by some 25 percent, and average outstandings by 18 percent. These loans help stabilize branch profitability and represent a firm base for developing additional consumer business.

A strong improvement also was realized by Central National's Master Charge card program, with 1973 results exceeding both profit and volume objectives. The Master Charge program also was expanded, through the introduction of Master Checking service, which provides a revolving line of personal credit to checking account customers.

In addition, demand for residential mortgages was strong during most of 1973. Late in the year, Central National increased its planned commitment of mortgage loan money for the Cleveland market and succeeded in attracting a number of customers with no previous Central National banking relationship.

This action created a very positive community response, resulting in considerable public commentary from both real estate firms and consumers.

The move also helped ease an otherwise tight local situation in mortgage money.

During the year, research activities were initiated to develop computerized models for analyzing new and existing branch market and profit performance. Information provided by these models will assist management in maximizing return from future commitments of financial and manpower resources.

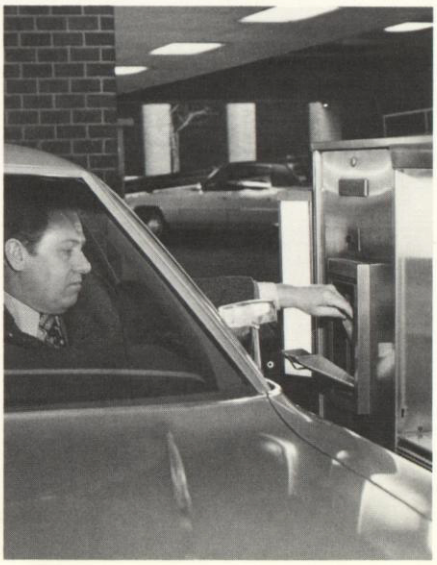
Other operational and data processing developments in progress include expanded use of Central National's computer voice response system in serving its customers. In addition, the Bank's customer credit card payments are now processed online to a central computer, improving the accuracy and speed with which accounts are updated.

Reliance on formal planning continues to be a key factor in setting objectives and measuring performance of growth and profit within the retail banking sector.

Future plans call for the continuation of an aggressive program for the acquisition of consumer related business.

Centran's branch banking network provides convenient financial service to customers through 79 branch offices in Northeast and Mid-Ohio. During the year, a multi-million-dollar remodelling and branch expansion program was initiated within the banking group. Three new offices were opened and additional openings are scheduled for 1974.

The banking industry continues to respond to the changing financial needs of consumers and the growing requirements for personalized service. Among programs designed for improved service are the assignment of a "Personal Banker" for each customer and the creation of a revolving line of credit through the Master Checking Program.



1HP
7¼" COMBINATION RIP & CROSSCUT
CAT. NO. 73-007
DIRECTION OF ROTA
VOL
UHF
VHF
MAKE RESERVA
ASK Mr. FOSTER
CLEVELAND,
Virgin Isla
WINTER 1973/74
ALPS

Growth and Diversification—Consumer Finance Group

Through its consumer finance company subsidiaries, Centran is now able to serve consumer credit needs in growth markets which its banking affiliates cannot reach.

The three finance company affiliates, for example, have 20 offices serving markets with a total population of some 10 million and a projected population growth during the decade of the Seventies in excess of 20 percent.

Centran first entered the non-bank consumer finance industry with the acquisition of Peoples Investment Company, a Louisville-headquartered firm with offices in Louisville and Covington, Ky., Cincinnati, and Nashville. In October 1973, Peoples opened an office in Cleveland to provide services which complement those offered by Central National.

Peoples, founded in 1955, specializes in relatively large, secured, consumer-installment loans, and through a wholly owned subsidiary, Security Capital Leasing, Inc., leases a wide variety of equipment to business and industry nationwide. At the time of its acquisition by Centran, Peoples had $16 million in consumer installment receivables outstanding, and at year-end, over $17 million.

Numerous companies are beginning to specialize in a type of loan that is increasingly popular, the residential second mortgage, which involves converting equity built up in homes into cash for a variety of uses.

In mid-1973, Centran employed a seasoned industry professional to form and operate a subsidiary specializing in this type of consumer credit. Incorporated as Colonial Financial Service, the company is headquartered in Birmingham, Ala. Colonial started its operations with offices in Birmingham, and Baton Rouge, Alexandria and Shreveport, La. Late in 1973, Colonial expanded into Indianapolis, Tulsa, Oklahoma City and Jackson, Miss. Current plans call for Colonial to open additional offices in 1974.

In 1973, Centran also acquired Major Finance Corporation, headquartered in Silver Spring, Md. This 20-year old company provides installment credit to consumers in the Maryland and Virginia suburban areas of Washington, D.C.

A subsidiary company, Major Acceptance Corporation, purchases retail sales contracts from a variety of retail establishments in the Washington area, and Major Mortgage Company, formed in April 1973, engages in second mortgage lending.

At year-end, Major's 1973 gross receivables were close to $11.5 million, an increase of 35 percent during the year. Major plans additional expansion during 1974.

Generally, the earnings of consumer finance companies are sensitive to changes of short-term interest rates. As a result, most consumer finance companies experienced pressure on earnings in 1973, as money market interest rates soared to record levels. However, performance should improve in 1974, if interest rates decline as most observers expect.

Centran's three finance companies, at year-end, had loans outstanding of $35 million. Consummation of the pending acquisitions of two additional companies, which serve the greater-Houston area and upper New York State, would increase total outstandings to nearly $50 million, and would double the number of offices to 44 and increase to 12 the number of states in which they operate.

These five companies will provide the Corporation with a substantial entry into the consumer finance industry. Each should continue to benefit from growth patterns within their respective markets.

Consumer borrowing for the purchase of goods and services increased substantially in 1973. Centran's finance company group, which operates 20 offices in 10 states, participated in this growth. Year-end outstandings were up 30 percent over the previous year.

Centran's entry into the consumer finance field provided the company an operating base in this fast-growing industry and access to markets with population growth patterns well in excess of the national average.

Financial Review

Traditional evaluation of net income by analysis of variances in assets, liabilities, income, and expense has become increasingly difficult to interpret, because of the greater reliance placed in recent years on borrowed money to fund earning assets. Analysis of interest income, out of context with related interest expense, may have little significance and may be misleading.

To permit meaningful analysis of Centran's net income, certain revisions have been made in the format of its balance sheet and its income statement. Statements of prior periods have been reclassified to conform to the revised presentation.

In the balance sneet, all earning assets are listed in somewhat more detail than heretofore, with such assets totalled. Certificates of deposit of banks, formerly included in cash, are now included in earning assets.

In the income statement, the following revisions have been made:

Interest on certificates of deposit of banks, formerly included in Other Income, is reported as interest income.

Interest on trading account securities, formerly included in Other Income, is reported as interest income. Trading account profits and losses are included in Other Income as heretofore.

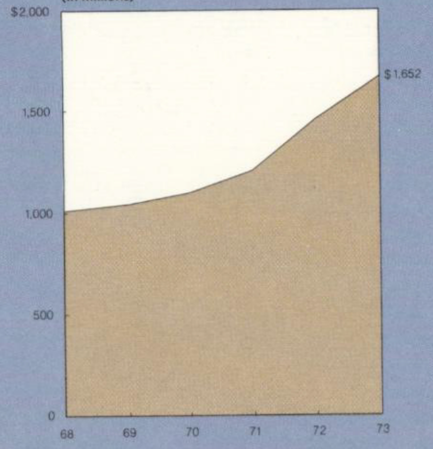
Fees associated with loan activity, which do not directly relate to loan balances outstanding, are reported as Other Income.

Additionally, in the following commentary, interest on municipal loans and securities has been converted to a fully taxable equivalent basis to preclude distorting analysis of components of the interest differential which results from co-mingling taxable income with non-taxable income.

Interest Differential

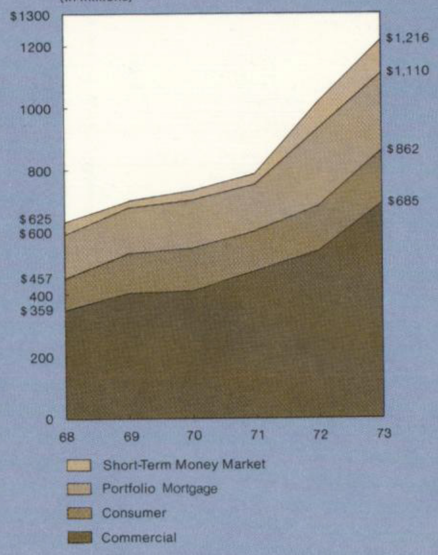
The interest differential – the excess of interest income over interest expense – is the most important factor in Centran's earnings. It is believed that the financial statements, as revised, and the related commentary will provide insight to shareholders as to the Corporation's earnings performance in 1973. Centran's earning assets averaged $1,652 million for the year and were $195 million or 13.4% higher than in 1972.

Average Earnings Assets
(in millions)



This increase resulted from an expansion of $200 million, or 19.6% in loans. Loans of all types averaged $1,216 million during 1973.

Average Loans
(in millions)



Interest bearing deposits, borrowings, debentures, and capital notes – all those funds on which interest is paid – were increased $155 million or 14.7%, having averaged $1,205 million for the year.

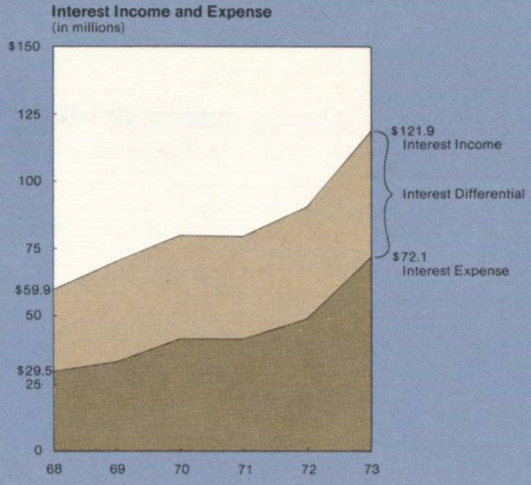
Interest income on earning assets, (expressed on a fully taxable equivalent basis) amounted to $133,524,000 and was nearly $31 million or 30.1% higher than in 1972. Virtually the entire increase in interest on earning assets was derived from loans: approximately one-half from greater volume and one-half from higher yields.

Interest paid on deposits and various types of purchased funds rose from $48,204,000 in 1972 to $72,086,000 in 1973, an increase of nearly $24 million or 49.5%. Approximately $17 million of the increase in interest expense resulted from higher rates paid, while $7 million resulted from increased volume.

While the percent of increase in interest expense (49.5%) was much greater than the percent of increase in interest income (30.1%), it should be noted that average earning assets of $1,652 million were substantially greater than the $1,205 million of funds on which interest was paid. As a result, the increase in interest income was $7 million greater than the increase in interest expense.

The ratio of funds on which interest was paid, to total earning assets, increased from 72% in 1972 to 73% in 1973, and the interest rate differential declined slightly from 3.77% in 1972 to 3.72% in 1973.

Computed on a fully taxable equivalent basis, the interest differential for 1973 was $6,990,000 higher than in 1972. The income statement on page 17 in the form required by regulatory authorities reports 1973 interest income of $121,875,000, interest expense of $72,086,000 and interest differential of $49,789,000 reflecting an interest differential increase of $6,320,000. The difference of $670,000 in interest differential increase results from an increase in tax exempt income in 1973. However, net income, whether determined on a fully taxable equivalent basis, or as required by regulatory authorities would be identical.



Interest Income and Expense
(in millions)

The following schedule shows the interest differential for 1973 in comparison to that for 1972 (in thousands of dollars):

	1973	1972	Increase	% of Increase
Interest Income	$133,524	$102,652	$30,872	30.1%
Interest Expense	72,086	48,204	23,882	49.5
Differential	$ 61,438	$ 54,448	$ 6,990	12.8%

The interest differential, expressed as percentages of earning assets, is shown in the following schedule:

	1973	1972	Increase (Decrease)
Composite Yield on Earning Assets	8.17%	7.11%	1.06%
Interest Expense as a Percent of Earning Assets	4.45	3.34	1.11
Interest Rate Differential	3.72%	3.77%	(.05)%

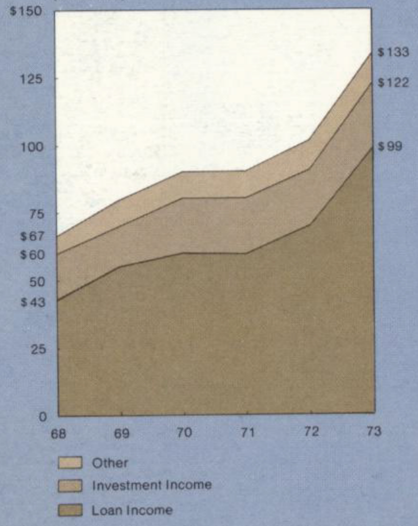
Income Other Than Interest

Trust Department fees were $3,812,000 for the year, compared with $3,641,000 in 1972, reflecting an increase of 4.7%.

Income from all other sources amounted to $7,069.000 and was slightly lower than in 1972. Income accounts, combined under this caption, include service charges on loan and deposit accounts, data processing services, safe deposit rentals, and International Department services, all of which make important contributions to revenue.

Total income, net of interest expense, amounted to $60,670,000 and was $6,473,000 or 11.9% higher than in 1972.

Operating Income
(in millions)



Operating Expense

Total operating expense amounted to $48,358,000 and was $6,125,000 higher than in the preceding year, an increase of 14.5%.

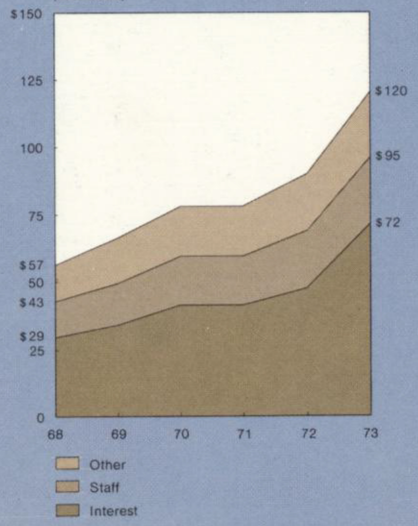
Salaries and employee benefit expense of $22,926,000 was $2,510,000 or 12.3% higher than in 1972. A larger work force, together with merit and cost of living salary adjustments, occasioned this increase.

Net occupancy expense of $5,193,000 was moderately higher than in 1972. Equipment depreciation, rental and repair expense of $2,510,000 was $279,000 higher than in the preceding year.

The provision for loan losses, largely the expense of bank affiliates, is determined for the most part by a five-year, moving-average formula prescribed by regulatory authorities. Higher loan losses experienced in the last few years have served to increase the loan loss ratio. This higher loan loss ratio, applied to a greatly expanded loan portfolio, resulted in a $4,176,000 loan loss provision for 1973, $1,167,000 higher than in 1972.

All other operating expenses, including more than $3 million in taxes and assessments, totalled $13,553,000 and were $1,858,000 or 15.9% higher than in 1972. A large number of expense accounts are combined under this heading, none of which caused an unduly large part of this increase in expense. Rather, all of these accounts reflect added costs resulting from operations of three new consumer finance company affiliates, expansion of operations of bank affiliates, and, most importantly, the higher costs of doing business resulting from inflation.

Operating Expense
(in millions)



Earnings

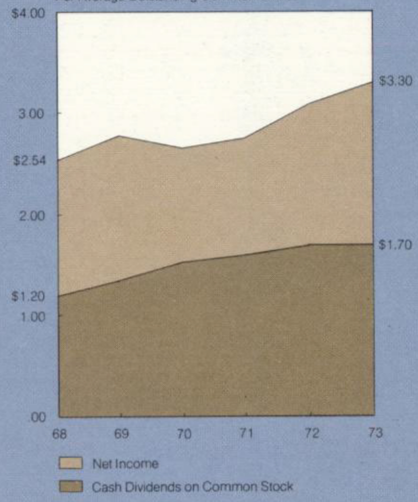
Income before income taxes and security transactions was $12,312,000 for the year, compared with $11,964,000 in 1972.

An income tax credit of $170,000 on operating earnings was partially offset by a tax of $112,000 on security gains. The net tax credit and the effective tax rate, which may be developed therefrom, differs from an amount computed by application of the statutory 48% tax rate on operating earnings, primarily because of tax exempt interest on municipal loans and securities.

Income before security transactions was $12,482,000 compared with $11,714,000 in 1972. Per share earnings were $3.27, based on an average of 3,815,640 shares outstanding during 1973, compared with $2.98 per share in 1972, based on an average of 3,930,547 shares then outstanding.

Net income in 1973 was $12,604,000 compared with $12,137,000 earned in the preceding year and was equivalent to $3.30 per share, reflecting an increase of 21 cents.

Net Income and Dividends
Per Average Outstanding Common Share



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Accountants' Report

Board of Directors
Centran Bancshares Corporation

We have examined the consolidated financial statements of Centran Bancshares Corporation and affiliates for the years ended December 31, 1973 and 1972. Our examinations were made in accordance with generally accepted auditing standards, and accordingly included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

In our opinion, the accompanying balance sheet and related statements of income, shareholders' equity and changes in financial position present fairly the consolidated financial position of Centran Bancshares Corporation and affiliates at December 31, 1973 and 1972, and the consolidated results of their operations and changes in shareholders' equity and financial position for the years then ended, in conformity with generally accepted accounting principles consistently applied.

Ernst + Ernst

Cleveland, Ohio
January 25, 1974

Consolidated Balance Sheet

In Thousands of Dollars

Assets	December 31, 1973	December 31, 1972
Earning Assets:		
Commercial Loans	$ 710,649	$ 608,246
Consumer Loans	203,626	156,551
Portfolio Mortgage Loans	256,594	249,026
Short-Term Money Market Loans	43,125	104,160
Due from Banks—Time	29,712	17,637
U.S. Treasury Securities	107,420	142,311
Federal Agency Securities	35,653	31,122
State and Municipal Securities	259,574	260,144
Other Securities	11,438	10,431
Trading Account Securities	16,511	9,104
Total Earning Assets	1,674,302	1,588,732
Cash and Due from Banks	269,704	287,520
Premises and Equipment	18,883	18,837
Customers' Liability on Acceptances	22,331	7,237
Other Assets	29,632	16,881
Total Assets	$2,014,852	$1,919,207
Liabilities		
Deposits and Borrowed Funds:		
Demand	$ 656,438	$ 653,929
Savings	388,730	397,283
Certificates—Individuals	257,925	231,651
Certificates—Others	295,703	288,078
Other Time	17,316	11,553
Total Deposits	1,616,112	1,582,494
Borrowed Funds	169,572	137,846
Capital Notes—4.75% due December 1, 1989	20,000	20,000
Debentures—7.85% due May 15, 1997	25,000	25,000
Total Deposits and Borrowed Funds	1,830,684	1,765,340
Liability on Acceptances	22,331	7,328
Other Liabilities	33,070	25,028
Total Liabilities	1,886,085	1,797,696
Reserve for Loan Losses	16,465	16,402
Shareholders' Equity:		
Common Stock	32,293	31,930
Surplus	64,798	63,892
Retained Earnings	20,893	14,969
Less—Common Stock in Treasury, at Cost	5,682	5,682
Total Shareholders' Equity	112,302	105,109
Total Liabilities, Reserve, and Shareholders' Equity	$2,014,852	$1,919,207

See notes to financial statements.

Consolidated Statement of Income

In Thousands of Dollars

	1973	1972
Interest Income:		
Commercial Loans	$ 54,166	$32,919
Consumer Loans	20,407	17,028
Portfolio Mortgage Loans	16,712	16,114
Short-Term Money Market Loans	8,043	3,961
Due from Banks—Time	2,015	1,401
U.S. Treasury Securities	6,143	6,073
Federal Agency Securities	1,760	1,863
State and Municipal Securities	11,491	11,342
Other Securities	675	597
Trading Account Securities	463	375
Total Interest Income	121,875	91,673
Interest Expense:		
Savings Deposits	16,397	15,181
Certificates—Individuals	14,317	11,781
Certificates—Others	24,479	14,462
Borrowed Funds	13,980	4,713
Capital Notes	950	950
Debentures	1,963	1,117
Total Interest Expense	72,086	48,204
Interest Differential	49,789	43,469
Trust Department Fees	3,812	3,641
Other Income	7,069	7,087
Income Net of Interest Expense	60,670	54,197
Operating Expense:		
Salaries	19,496	17,291
Pensions, Profit Sharing and Other Employee Benefits	3,430	3,125
Net Occupancy	5,193	4,882
Equipment	2,510	2,231
Provision for Loan Losses	4,176	3,009
Other	13,553	11,695
Total Operating Expense	48,358	42,233
Income Before Income Taxes and Security Transactions	12,312	11,964
Income Taxes Thereon	(170)	250
Income Before Security Transactions	12,482	11,714
Security Gains Less Tax of $112 in 1973 and $367 in 1972	122	423
Net Income	$ 12,604	$12,137
Per Common Share:		
Income Before Security Transactions	$ 3.27	$ 2.98
Net Income	3.30	3.09

See notes to financial statements.

Consolidated Statement of Shareholders' Equity

In Thousands of Dollars

	Preferred Stock	Common Stock	Surplus	Retained Earnings	Treasury Stock
Balance at January 1, 1972	$6,675	$29,650	$48,770	$19,894	$ −0−
Net Income for the Year				12,137	
Cash Dividends Declared:					
Preferred Stock				(137)	
Common Stock $1.70 Per Share				(6,184)	
Exchange of 150,000 Shares of Preferred Stock for 285,000 Shares of Common Stock	(6,675)	2,280	4,395		
Transfer from Reserve for Loan Losses				141	
Transfer from Retained Earnings to Surplus			10,747	(10,747)	
Transactions of Pooled Company Prior to Acquisition			(20)	(135)	
Purchase of 200,000 Common Shares for Treasury					5,682
Balance at December 31, 1972	−0−	31,930	63,892	14,969	5,682
Net Income for the Year				12,604	
Cash Dividends Declared:					
Common Stock $1.70 Per Share				(6,503)	
Transfer to Reserve for Loan Losses				(73)	
Transfer from Retained Earnings to Surplus			104	(104)	
Issuance of 45,352 Shares of Common Stock in Connection with Acquisition		363	802		
Balance at December 31, 1973	$ −0−	$32,293	$64,798	$20,893	$5,682

See notes to financial statements.

Consolidated Statement of Changes in Financial Position

In Thousands of Dollars

Source of Funds

	1973	1972
From Operations:		
Net Income	$ 12,604	$ 12,137
Items Not Using Funds:		
Amortization of Security Premiums	1,414	1,532
Provision for Depreciation and Amortization	1,551	1,358
Provision for Loan Losses	4,176	3,009
Other	147	(130)
Total from Operations	19,892	17,906
Increase in Liabilities:		
Deposits	33,618	175,600
Borrowed Funds	13,519	39,848
Liability on Acceptances	15,003	748
Other Liabilities	7,374	812
Decrease in Assets:		
Due from Banks—Time	–0–	5,287
Securities—Net of Premium Amortization	21,081	–0–
Cash and Due from Banks	19,136	–0–
Other Assets	–0–	1,114
Issuance of Debentures	–0–	25,000
Issuance of Common Stock	1,165	–0–
Exchange of Common Stock for Preferred Stock—$6,675,000 in 1972	–0–	–0–
TOTAL	$130,788	$266,315

Application of Funds

	1973	1972
Increase in Assets:		
Loans Before Net Charge-offs	$ 77,525	$ 145,605
Securities—Net of Premium Amortization	–0–	4,391
Due from Banks—Time	12,075	–0–
Cash and Due from Banks	–0–	101,704
Customer Liability on Acceptances	15,094	657
Other Assets	7,684	–0–
Additions to Premises and Equipment—Net	1,507	1,799
Cash Dividends Declared	6,503	6,321
Purchase of Finance Companies—Loans and Other Assets Acquired Less Borrowed Funds and Other Liabilities Assumed	10,308	–0–
Purchase of Common Stock for Treasury	–0–	5,682
Other	92	156
TOTAL	$130,788	$266,315

See notes to financial statements.

Notes to Financial Statements

Accounting Policies.

Consolidation. The consolidated financial statements include the accounts of Centran and all affiliates.

Securities. Investment securities are carried at cost, adjusted for amortization of premiums. Gains or losses on the sale of investment securities are shown separately in the income statement. Trading account securities are carried at the lower of cost or market. Interest on trading account securities is included in interest income and gains or losses are included in other income.

Premises and Equipment. Premises and equipment, including leasehold improvements, are stated at cost less accumulated depreciation and amortization. Depreciation and amortization are determined primarily by the straight-line method.

Reserve for Loan Losses. For financial reporting purposes, the provision for loan losses of banking affiliates included in operating expense is based on a five-year moving average ratio of net loan losses to average loans outstanding. For income tax purposes, additions to the reserve are made in accordance with federal income tax law. The difference between the amount claimed for tax purposes, net of tax effect, and the loan loss provision included in operating expense, is charged or credited to retained earnings. The provision for loan losses of finance affiliates is based on experience and a current evaluation of the loans; in the consolidated balance sheet these reserves are deducted from related loans.

Intangibles. Amounts assigned to customer lists and goodwill in connection with acquisitions are amortized by the straight-line method over four years and forty years, respectively.

Income. Interest on loans and securities is recognized in the period in which it is earned by bank affiliates and in the period collected by finance affiliates; trust department fees and income from certain other sources are recognized, for the most part, on a cash collected basis in accordance with industry practice.

Foreign Exchange. Items comprising the foreign exchange position are valued at the prevailing rate of exchange and gains or losses are included in other income.

Pension Plans. Pension plans cover substantially all employees and are funded by annual contributions to pension trusts.

Income Taxes. For income tax purposes, certain items of income and expense are reported in taxable years other than those in which such amounts are reported in financial statements. Net income is not affected by this practice, as tax consequences resulting therefrom are taken into consideration by providing for deferred income taxes. Investment tax credits are not material and are accounted for by the flow-through method; prior to 1973 such credits were accounted for by the deferral method. This change had no material effect on net income. The effective tax rate developed from the provision for income taxes in the consolidated statement of income, differs from the statutory federal income tax rate of 48% primarily because of tax exempt interest on municipal loans and securities.

General. Accounts in financial statements for 1972 have been reclassified to conform to the statement presentation for the current year.

Business Combinations. On June 30, 1972, Centran acquired the Capital Stock of Mid-Ohio Banc-Shares, Inc. in exchange for 381,704 common shares of Centran. Upon consummation of the merger, Mid-Ohio's separate corporate existence ended, and its three affiliates, The Richland Trust Company, The Sutton State Bank, and The Farmers and Savings Bank became affiliates of Centran. This transaction was accounted for as a pooling-of-interests, and accordingly the operations of Mid-Ohio are included for the entire year 1972. For the first six months of 1972, Mid-Ohio's consolidated operating revenue and consolidated net income were $3,437,000 and $426,000, respectively.

During 1973, Centran acquired two finance companies for a total consideration of $10,308,000. The consideration was $3,628,000 cash, 45,352 shares of common stock, and 6 percent notes totaling $5,514,000 due in installments over a five-year period. Centran has the right to pay 75 percent or less of the notes plus interest thereon in shares of common stock. These acquisitions were accounted for as purchase transactions. Earnings of these companies are included in the consolidated statement of income since dates of acquisition. The excess of cost over net tangible assets was assigned to customer lists and goodwill. Had the acquisitions taken place as of January 1, 1972, the effect on Centran's consolidated income statement for 1972 and 1973 would not have been material.

During 1973 Centran entered into definitive agreements to acquire two additional finance companies in exchange for an aggregate of 33,482 shares of serial preferred stock of Centran which are convertible into 100,446 shares of Centran common stock at any time after issuance at the option of the holders of the preferred. If not previously converted, at any time after five years Centran will be required to redeem for cash 15,334 of such shares (designated Series B) at a price of $150 per share if tendered to Centran by the holders thereof. The remaining 18,148 shares (designated Series C) are automatically redeemable for cash at a price of $135 per share at the expiration of five years after issuance if not previously converted. Both transactions are subject to approval of regulatory authorities as well as other conditions.

Securities. Securities with a book value of $244,944,000 at December 31, 1973 were pledged to secure trust and public funds on deposit.

The approximate market value of securities was $429,200,000 at December 31, 1973 and $455,400,000 at December 31, 1972. At year-end 1973, the book value of securities was approximately $1,400,000 in excess of market value.

Stock Options. During 1973, the shareholders of Centran approved the 1973 Stock Option Plan. Under the Plan the 200,000 common shares held in treasury are reserved for sale to selected officers of the Corporation or of any affiliate at a price equal to the fair market value of the shares on the date options are granted. Qualified options expire five years from the date granted, while nonqualified options expire ten years from the date granted. Generally not more than half of the shares granted become exercisable in any one year beginning at the date of grant; however, such options will not become exercisable while there is outstanding an earlier exercisable option to the same optionee carrying a higher option price.

At December 31, 1973, there were options outstanding for 33,400 shares at an aggregate option price of $843,000, none of which were exercisable as of that date.

Premises and Equipment

	December 31, 1973	December 31, 1972
Land	$ 3,248,000	$ 3,145,000
Buildings	8,018,000	7,897,000
Leasehold Improvements	9,529,000	8,958,000
Equipment and Furniture	9,583,000	9,459,000
	30,378,000	29,459,000
Less Accumulated Depreciation and Amortization	11,495,000	10,622,000
	$18,883,000	$18,837,000

Debentures. The related indenture provides for annual sinking fund payments of $900,000 to commence in 1982. Under indenture cash dividend restrictions, retained earnings of $18,095,000 were available for cash dividends at December 31, 1973.

Capital Stock. Authorized capital stock consists of 500,000 shares of no par Serial Preferred Stock and 7,500,000 shares of $8 par Common Stock. There were 3,836,639 common shares outstanding at December 31, 1973 and 3,791,287 shares at December 31, 1972.

Reserve for Loan Losses. An analysis of changes in the reserve for loan losses of bank affiliates follows:

	1973	1972
Balance—Beginning of Year	$16,402,000	$16,325,000
Provision for Loan Losses Charged (Credited) to:		
Operating Expense	4,027,000	3,009,000
Retained Earnings	73,000	(141,000)
Deferred Income Taxes	68,000	(130,000)
Recoveries of Loans Previously Charged Off	597,000	591,000
	21,167,000	19,654,000
Loans Charged Off	4,702,000	3,252,000
Balance—End of Year	$16,465,000	$16,402,000

That part of the reserve created by charges to operating expense and available to absorb loan losses was $11,480,000 at December 31, 1973 and $11,560,000 at December 31, 1972.

Pension Plans. Pension expense amounted to $745,000 in 1973 and $744,000 in 1972. At December 31, 1973, the value of pension fund assets exceeded vested benefits under the plans and past service costs are substantially funded.

Leases. Rental expense for office space and equipment amounted to $3,612,000 and $3,324,000 in 1973 and 1972, respectively. The future rental commitments as of December 31, 1973 for all noncancelable leases are as follows:

The main office of Central National Bank was leased in 1969 for a 30-year period, with options to renew the lease for two 15-year periods. In addition, the Bank has the option to purchase the building at certain specified times for an amount of not less than the lessor's cost. If the Bank does not exercise its option to purchase by 1999 it shall receive from the lessor a 25 percent interest in the building.

	Office Space	Equipment	Total
1974	$ 2,426,000	$ 455,000	$ 2,881,000
1975	2,387,000	450,000	2,837,000
1976	2,301,000	426,000	2,727,000
1977	2,249,000	284,000	2,533,000
1978	2,205,000	—0—	2,205,000
1979—1983	10,229,000	—0—	10,229,000
1984—1988	9,516,000	—0—	9,516,000
1989—1993	9,047,000	—0—	9,047,000
1994 and later	11,119,000	—0—	11,119,000
	$51,479,000	$1,615,000	$53,094,000

Income per Common Share. Income per common share is based on the average number of shares outstanding after giving effect to pooling-of-interests, and assumed exchange as of January 1, 1972 of 150,000 shares of Series A Convertible Preferred Stock for 285,000 shares of Common Stock.

Commitments and Contingent Liabilities. In the normal course of business there are outstanding various commitments and contingent liabilities, such as commitments to extend credit, future contracts, guarantees, etc., which are not reflected in the financial statements. No losses are anticipated as a result of these transactions.

Certain affiliates of Centran are involved in litigation; however, in the opinion of management, these claims should not have a significant effect on the consolidated financial statements.

Six Year Comparative Summary

In Thousands of Dollars

	1973	1972	1971	1970	1969	1968
Selected Balance Sheet Averages (a)						
Commercial Loans	$ 685,042	$ 528,397	$ 471,593	$ 410,507	$ 404,376	$ 358,676
Consumer Loans	177,454	149,712	128,535	132,342	122,567	98,677
Portfolio Mortgage Loans	247,886	244,565	152,333	158,266	157,176	142,363
Short-Term Money Market Loans	105,528	93,626	38,974	23,203	19,281	25,749
Due from Banks – Time	22,541	20,402	39,962	50,244	–0–	–0–
U. S. Treasury	111,185	111,320	108,151	105,636	106,934	141,616
Federal Agency	28,342	29,870	11,017	14,502	15,746	17,173
State and Municipal	253,548	257,063	242,902	201,481	205,684	226,085
Other	12,755	14,777	7,161	5,610	4,378	2,183
Trading Account	7,544	6,742	4,651	-0-	-0-	-0-
Earning Assets	1,651,825	1,456,474	1,205,279	1,101,791	1,036,142	1,012,522
Total Assets/Liabilities	$1,968,748	$1,769,048	$1,431,124	$1,305,282	$1,238,277	$1,198,047
Demand	$ 593,283	$ 564,200	$ 482,316	$ 463,093	$ 468,662	$ 454,773
Savings	392,435	389,078	308,534	291,639	296,816	303,068
Certificates – Individuals	250,478	225,788	148,500	132,556	126,336	102,891
Certificates – Others	317,315	273,615	260,989	194,605	148,023	174,123
Other Time	11,404	9,712	5,895	5,918	6,301	5,879
Total Deposits	1,564,915	1,462,393	1,206,234	1,087,811	1,046,138	1,040,734
Borrowed Funds	187,882	117,326	81,607	76,607	63,095	39,820
Capital Notes	20,000	20,000	20,000	20,000	20,000	20,000
Debentures	25,000	14,276	-0-	-0-	-0-	-0-
Reserve for Loan Losses	17,467	16,759	14,588	15,451	15,389	15,277
Shareholders' Equity	109,163	106,629	95,923	93,788	88,989	81,077

Data includes pooling-of-interests for all periods and purchases from dates of acquisition.

	1973	1972	1971	1970	1969	1968
Earnings						
Interest Income:						
Commercial Loans	$ 54,166	$ 32,919	$ 31,903	$ 33,494	$ 30,427	$ 22,774
Consumer Loans	20,407	17,028	14,873	15,676	13,664	10,582
Portfolio Mortgage Loans	16,712	16,114	10,020	10,190	9,756	8,455
Short-Term Money Market Loans	8,043	3,961	1,935	1,617	1,603	1,502
Due from Banks—Time	2,015	1,401	3,156	4,601	—0—	—0—
U. S. Treasury Securities	6,143	6,073	5,958	6,326	5,750	7,507
Federal Agency Securities	1,760	1,863	609	866	946	1,032
State and Municipal Securities	11,491	11,342	10,417	8,364	7,586	7,909
Other Securities	675	597	222	204	203	130
Trading Account Securities	463	375	283	—0—	—0—	—0—
Total Interest Income	121,875	91,673	79,376	81,338	69,935	59,891
Interest Expense:						
Savings Deposits	16,397	15,181	12,441	12,396	11,082	11,325
Certificates—Individuals	14,317	11,781	7,948	7,019	6,399	5,191
Certificates—Others	24,479	14,462	16,666	15,675	9,777	9,714
Borrowed Funds	13,980	4,713	3,926	5,749	5,170	2,270
Capital Notes	950	950	950	950	950	950
Debentures	1,963	1,117	—0—	—0—	—0—	—0—
Total Interest Expense	72,086	48,204	41,931	41,789	33,378	29,450
Interest Differential	49,789	43,469	37,445	39,549	36,557	30,441
Trust Department Fees	3,812	3,641	3,221	2,953	2,844	2,586
Other Income	7,069	7,087	6,638	5,066	5,776	4,795
Income Net of Interest Expense	60,670	54,197	47,304	47,568	45,177	37,822
Operating Expense:						
Salaries and Employee Benefits	22,926	20,416	17,910	17,771	15,538	13,758
Provision for Loan Losses	4,176	3,009	2,364	1,299	655	569
Other Operating Expenses	21,256	18,808	15,725	15,253	12,433	11,010
Income Taxes	(170)	250	485	2,096	4,298	2,019
Total Operating Expenses	48,188	42,483	36,484	36,419	32,924	27,356
Operating Income	12,482	11,714	10,820	11,149	12,253	10,466
Security Transactions After Taxes	122	423	(643)	(1,401)	(2,007)	(1,241)
Net Income	$ 12,604	$ 12,137	$ 10,177	$ 9,748	$ 10,246	$ 9,225

	1973	1972	1971	1970	1969	1968
Yields on Assets (b) (c)						
Commercial Loans	8.10%	6.33%	6.87%	8.30%	7.66%	6.51%
Consumer Loans	11.50	11.37	11.57	11.85	11.15	10.72
Portfolio Mortgage Loans	6.74	6.59	6.58	6.44	6.21	5.94
Short-Term Money Market Loans	8.69	4.81	4.96	6.97	8.31	5.83
Due From Banks—Time	9.17	5.52	7.90	9.16	—0—	—0—
U. S. Treasury Securities	5.53	5.46	5.51	5.99	5.38	5.30
Federal Agency Securities	6.21	6.24	5.53	5.97	6.01	6.01
State and Municipal Securities	8.72	8.49	8.25	8.17	7.81	7.41
Other Securities	5.29	5.91	3.10	3.64	4.64	5.96
Trading Account Securities	6.28	5.80	6.08	—0—	—0—	—0—
Composite Yield	8.17	7.11	7.42	8.17	7.62	6.85
Effective Interest Rates Paid (c)						
Savings Deposits	4.18%	3.90%	4.03%	4.25%	3.73%	3.74%
Certificates—Individuals	5.72	5.22	5.35	5.30	5.07	5.05
Certificates—Others	7.73	5.29	6.39	8.05	6.61	5.58
Borrowed Funds	8.17	4.48	4.81	7.50	8.19	5.70
Capital Notes	4.75	4.75	4.75	4.75	4.75	4.75
Debentures	7.85	7.85	—0—	—0—	—0—	—0—
Composite Rate Paid	6.10	4.64	5.08	5.79	5.05	4.56
Interest Rate Differential	3.72%	3.77%	3.94%	4.38%	4.40%	3.94%
Ratios (c)						
Operating Income/Gross Income	9.40%	11.44%	12.13%	12.48%	15.60%	15.56%
Return on Shareholders' Equity	11.55	11.38	10.61	10.39	11.51	11.38
Loans as a % of Assets	61.76	57.45	55.30	55.49	56.80	52.21
Shareholders' Equity as a % of Assets	5.54	6.03	6.70	7.19	7.19	6.77
Percent of Net Income to Total Assets	.640	.686	.711	.747	.827	.770
Per Share Data						
Income Before Security Transactions (d)	$ 3.27	$ 2 98	$ 2.92	$ 3.01	$ 3.31	$ 2.88
Net Income (d)	3.30	3.09	2.75	2.63	2.77	2.54
Dividends (e)	1.70	1.70	1.60	1.53	1.33	1.20
Book Value at Year-End (f)	29.27	27.72	26.30	25.66	24.77	23.30
Average Shares Outstanding	3,815,640	3,930,547	3,706,160	3,703,359	3,701,980	3,638,800

(a) Inter-company accounts not eliminated.

(b) Stated on a fully taxable equivalent basis.

(c) Based on average balances.

(d) Based on average number of shares outstanding adjusted for stock dividends and stock splits.

(e) Adjusted for three for two stock split May, 1970, 10% stock dividend, March, 1968. Prior to 1972 dividends reported are those of Central National Bank of Cleveland.

(f) Based on number of shares outstanding at year-ends adjusted for stock dividends and stock splits.

Balance Sheet

In Thousands of Dollars

	Central National Bank of Cleveland	
Assets	December 31, 1973	December 31, 1972
Earning Assets		
Commercial Loans	$ 659,709	$ 572,247
Consumer Loans	137,169	121,580
Portfolio Mortgage Loans	142,137	136,869
Short-Term Money Market Loans	43,125	102,065
Due From Banks – Time	29,700	17,426
U. S. Treasury Securities	83,283	113,975
Federal Agency Securities	25,874	18,643
State and Municipal Securities	223,741	225,959
Other Securities	6,018	4,937
Trading Account Securities	16,511	9,104
Total Earning Assets	1,367,267	1,322,805
Cash and Due From Banks	257,403	279,973
Premises and Equipment	12,802	12,643
Customer Liability on Acceptances	22,331	7,237
Other Assets	20,189	13,673
Total Assets	$1,679,992	$1,636,331
Liabilities		
Deposits	$1,348,090	$1,333,531
Borrowed Funds	145,484	143,255
Capital Notes – 4.75% due Dec. 1, 1989	20,000	20,000
Liability on Acceptances	22,331	7,327
Other Liabilities	29,816	22,079
Total Liabilities	1,565,721	1,526,192
Reserve for Loan Losses	14,613	14,645
Shareholders' Equity		
Common Stock ($8 Par)	26,797	26,797
Surplus	55,204	55,204
Retained Earnings	17,657	13,493
Total Shareholders' Equity	99,658	95,494
Total Liabilities, Reserve, and Shareholders' Equity	$1,679,992	$1,636,331

Includes the accounts of the Bank's subsidiary, Central Cleveland International Bank, New York, New York.

***Officers*:**
Executive Office
John A. Gelbach – Chairman and President
Charles S. Lawrence III – Executive Vice President
Ann M. Eighmy – Assistant Vice President-Administration

***Senior Vice Presidents*:**
Robert C. Bensing
Alan G. Brant
Russell H. Eichman
William E. Flack
Thomas W. Harris
Frederick Lynch, Jr.
John M. McEwan
A. W. Redmon
Forde U. Steele
I. Barry Thompson
Charles W. Walton

Centran Bancshares Corporation Affiliates

Balance Sheet

In Thousands of Dollars
December 31, 1973

	American Bank of Commerce	The Richland Trust Co.	The Farmers and Savings Bank	The Sutton State Bank
Assets				
Earning Assets:				
Commercial Loans	$ 23,553	$21,183	$ 3,214	$ 2,040
Installment Loans	25,749	11,320	1,402	888
Portfolio Mortgage Loans	82,307	24,140	4,985	3,026
Short-Term Money Market Loans	–0–	900	500	100
Due from Banks–Time	512	–0–	–0–	–0–
U.S. Treasury Securities	10,720	8,962	2,493	1,963
Federal Agency Securities	9,278	500	–0–	–0–
State and Municipal Securities	17,283	13,073	3,826	1,650
Other Securities	5,420	–0–	–0–	–0–
Total Earning Assets	174,822	80,078	16,420	9,667
Cash and Due From Banks	5,583	6,749	904	292
Premises and Equipment	3,743	1,787	345	96
Other Assets	2,007	1,391	189	135
Total Assets	$186,155	$90,005	$17,858	$10,190
Liabilities				
Deposits	$166,051	$79,980	$16,096	$ 9,247
Borrowed Funds	755	1,451	–0–	–0–
Other Liabilities	739	679	244	82
Total Liabilities	167,545	82,110	16,340	9,329
Reserve for Loan Losses	565	1,011	170	107
General Reserve	8,547	–0–	–0–	–0–
Shareholders' Equity:				
Common Stock	4,473	1,457	300	146
Surplus	4,527	4,543	700	404
Retained Earnings	498	884	348	204
Total Shareholders' Equity	9,498	6,884	1,348	754
Total Liabilities, Reserve, and Shareholders' Equity	$186,155	$90,005	$17,858	$10,190

American Bank of Commerce
John B. McCarter – Chairman and Chief Executive
Gerald M. Foley – President

Vice Presidents:
James M. Bray
L. T. Buttermore
John M. Carroll
William H. Evans III
Philip M. Hamilton
William T. Moore
Henry L. Palombo
William H. Parmelee
Malcolm Rowan
John W. Wressell

The Richland Trust Co.
J. H. Beasore – President and Chief Executive

Senior Vice Presidents:
S.A. Foltz
Donn A. Kieft
G. W. Sennish, Jr.

Vice Presidents:
Richard L. Adams
W. R. McCullough
Harlan McDaid
Gordon J. Sevold
Joseph O. Weirick
D. Eugene Yarger

The Farmers and Savings Bank
R. E. Arnholt – President
James W. Koch – Vice President

The Sutton State Bank
J. V. Ayres – Chairman
A. J. Sutton – President

Consumer Finance Group

Peoples Investment Company
Louisville, Ky.

Chief Executive:
Harry J. Klein

Areas of Operation:
Louisville; Covington, Ky.;
Nashville; Cincinnati; Cleveland

Gross consumer installment receivables:(in millions)

Acquisition Date June 1, 1973	December 31, 1973	Percent Increase
$16.4	$17.2	5%

Major Finance Corporation
Silver Spring, Md.

Chief Executive:
Morton Sturt

Area of Operation:
Washington, D.C.,
metropolitan area

Gross consumer installment receivables: (in millions)

Acquisition Date August 1, 1973	December 31, 1973	Percent Increase
$9.8	$11.4	16%

Colonial Financial Service, Inc.
Birmingham, Ala.

Chief Executive:
Robert Brannon

Areas of Operation:
Birmingham, Ala; Shreveport,
Baton Rouge, and Alexandria, La.;
Jackson, Miss.; Indianapolis;
Tulsa and Oklahoma City.

Colonial was founded in June,1973 and at year-end had gross consumer installment receivables of $2.5 million.

Equipment Leasing Subsidiary

Security Capital Leasing, Inc.
Louisville, Ky.

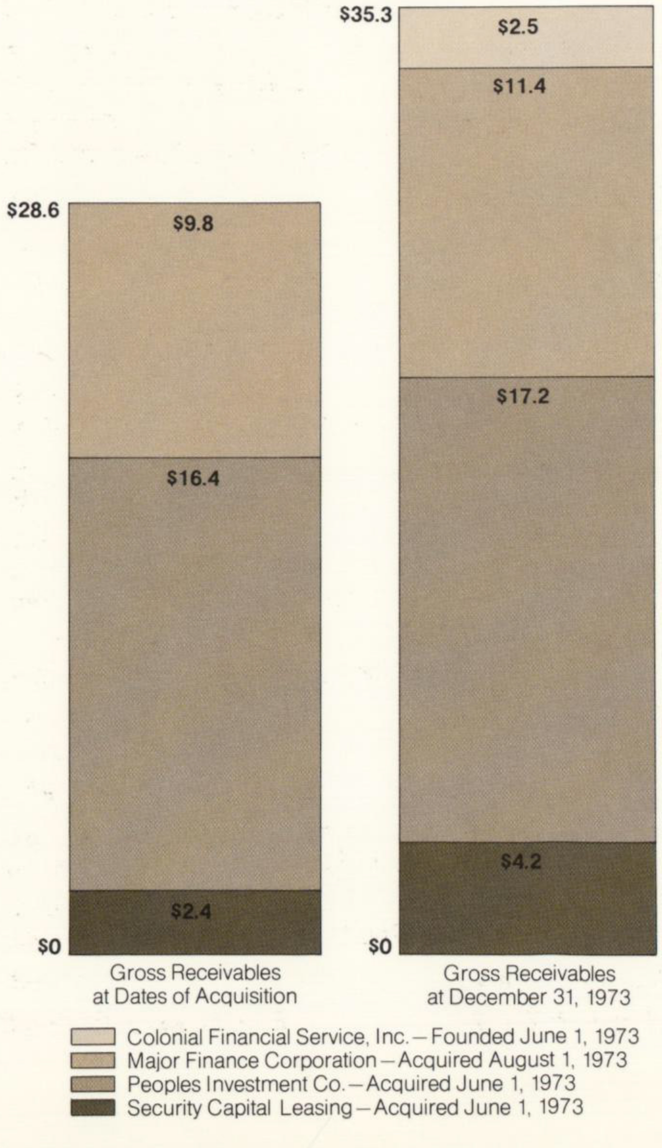
Chief Executive:
J. William Frentz

Area of Operation:
National

Gross lease receivables: (in millions)

Acquisition Date June 1, 1973	December 31, 1973	Percent Increase
$2.4	$4.2	75%

Consumer Finance Group
Gross Receivables
(in millions)



Centran Bancshares Corporation

Officers

John A. Gelbach	*Chairman and President*
Charles W. Walton	*Executive Vice President*
Charles S. Lawrence, III	*Vice President*
Thomas W. Harris	*Treasurer*
Ira P. Barsky	*Corporate Counsel*
Hubert P. Martin	*Secretary*
Richard H. Braucher	*Assistant Secretary*

Directors

John A. Gelbach	*Chairman and President*
Joseph A. Boyd	*President, Harris-Intertype Corporation*
Edward L. Carpenter	*Honorary Chairman of the Board, Central National Bank of Cleveland*
Gregory S. De Vine	*Chairman of the Board, Baltimore & Ohio Railroad* *Chairman of the Executive Committee, Chesapeake & Ohio Railway*
John J. Dwyer	*President, Oglebay Norton Company*
Frederick R. Eckley	*President, The Ohio Bell Telephone Co.*
Robert L. Fairbank	*Retired*
George M. Feiel	*Retired*
William F. Hauserman	*President, Hauserman, Inc.*
J. Robert Killpack	*Executive Vice President — Finance, Eaton Corporation*
Charles S. Lawrence, III	*Executive Vice President, Central National Bank of Cleveland*
George S. Lockwood, Jr.	*Chairman of the Board, Cleveland Steel Container Corp.*
Morton L. Mandel	*Chairman of the Board and Chief Executive Premier Industrial Corporation*
Harry T. Marks	*Chairman of the Board and Chief Executive, Ferro Corporation*
Robert D. McCreery	*President, H. L. McCreery & Son, Inc.*
Thomas A. Quintrell	*Partner, Arter & Hadden*
Karl H. Rudolph	*President and Chief Executive, The Cleveland Electric Illuminating Company*
Donald G. Stevens	*Senior Vice President, The Standard Oil Company (Ohio)*
Arthur B. Tillman	*Retired*
Charles W. Walton	*Executive Vice President*

Commercial Banking Affiliates

Central National Bank of Cleveland
800 Superior Avenue, Cleveland, Ohio

American Bank of Commerce
157 South Main Street, Akron, Ohio

The Richland Trust Company
3 North Main Street, Mansfield, Ohio

The Sutton State Bank
1 South Main Street, Attica, Ohio

The Farmers & Savings Bank
120 North Water Street, Loudonville, Ohio

(Affiliate banks are members of Federal Deposit Insurance Corporation)

Consumer Finance Affiliates

Colonial Financial Service, Inc.
Bank for Savings Building, Birmingham, Alabama

Major Finance Corporation
912 Thayer Avenue, Silver Spring, Maryland

Peoples Investment Company
4th & Market Streets, Louisville, Kentucky

International Facilities and Associations

Central Cleveland International Bank
55 Broad Street, New York, N.Y.
TELEX: 12-7779 Centralint

Paris Representative Office
33, rue Galilee 75016 Paris, France
TELEX: 62615 Paris

London Representative Office
Grocers Hall
Princes Street EC2R
London, England
TELEX: 885664 Centran London
Cable: "Centran London"

Mexico City Representative Office
Paseo de la Reforma 292-501
Mexico 6, D.F., Mexico
Telephone: 514-5895

Nassau Branch
P.O. Box 7768
The Bahamas

Associations with:
Banque Occidentale pour l'Industrie
et le Commerce
Paris, France

Deltec Pan-America, Ltd.

Private Export Financing Corporation (PEFCO)

(Plus a world-wide network of correspondent banks)

Centran Bancshares Corporation
ONE CENTRAL NATIONAL BANK BLDG., CLEVELAND, OHIO 44114